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INFO RUCNCAN/ALL CANADIAN POSTS COLLECTIVE PRIORITY
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RUCNNSG/NUCLEAR SUPPLIERS GROUP PRIORITY
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0428
RUEHCG/AMCONSUL CHENNAI PRIORITY 0104
RUEHCI/AMCONSUL KOLKATA PRIORITY 0007
RUEHBI/AMCONSUL MUMBAI PRIORITY 0161
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0040
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0451
RUEAIIA/CIA WASHDC PRIORITY
RHEHNSC/WHITE HOUSE NSC WASHINGTON DC PRIORITY
RUEKJCS/OSD WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 001075

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STATE PASS ISN/RA TKOKA

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TAGS: [PARM](#) [PREL](#) [ETTC](#) [IN](#) [CA](#)

SUBJECT: NSG: CANADA SUPPORTS EXCEPTION FOR INDIA, SEEKS
CHANGES TO DRAFT TEXT

REF: A. STATE 85948

[1](#)B. OTTAWA 965

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Classified By: A/PolMinCouns Kurt van der Walde, reasons 1.4 (b) and (d).

[1](#)1. (C) Summary: Canadian officials responded to ref A demarche by noting that Canada and the U.S. share similar views on how to secure an exception for India from the Nuclear Suppliers Group. Senior Canadian Embassy officials in Washington will seek a meeting with Acting Under Secretary John Rood by August 14 to deliver a demarche outlining Canada's support for an exception, as well as suggested changes to the draft text. Ottawa seeks edits to the exception text that would require the inclusion of a review mechanism, a provision for termination in case of a nuclear test, and the assurance of a level playing field for industry. End summary.

[1](#)2. (C) Embassy Ottawa delivered ref A demarche to the Department of Foreign Affairs and International Trade (DFAIT) on August 11 and at a follow up meeting with Acting Deputy Director for Nuclear Non-Proliferation Che van Haastrecht on August 12. Van Haastrecht characterized the U.S. position as "understandable and reasonable" and added that Canada and the U.S. share similar views on the way to secure a positive outcome in the Nuclear Suppliers Group (NSG) in Vienna on August 21-22.

[1](#)3. (C) Van Haastrecht said that he had forwarded a draft response to the U.S. demarche, which contained suggested edits to the draft NSG exception, to DFAIT Political Director and Assistant Deputy Minister Colleen Swords to seek her approval to deliver it to U.S. officials in Washington. (Note: PolDir Swords subsequently approved the response and instructed Canadian officials in Washington to deliver it directly to Acting Under Secretary for Arms Control and International Security John Rood and ISN/NESS Director Dick Stratford by August 14. End note).

[1](#)4. (C) Van Haastrecht then previewed Canada's draft formal response to ref A demarche, which calls for (1) the inclusion of a review mechanism, (2) a provision for termination of the exception, and (3) assurances of a level playing field for

Canadian industry. He emphasized that Canada had "deliberately avoided proposing improvements that would require the Indians to do things" in order to keep the matter on track towards a successful outcome.

-- Review Mechanism: Ottawa wants the exception to require the creation of a mechanism that would allow the NSG to review Indian adherence to its commitments against specific benchmarks. The reviews would occur annually at first, with longer intervals down the road after the members agree that India is meeting its commitments.

-- Termination Provision: The Canadians want language that would require the NSG to call an extraordinary plenary if India tests a nuclear weapon. Ottawa's suggested language would permit the NSG to arrive at a consensus decision to suspend the exception if India were to test, but it would not make suspension automatic.

-- Level Playing Field: To "defend its interests" Canada will call for the NSG to delay implementation of the exception until countries agreeing to it "do what they need to do to meet domestic requirements" or when the NSG plenary meets in 2010, whichever comes first. For its part, Canada would have to negotiate a bilateral nuclear cooperation agreement with India before its industry could take advantage of the opportunities that will arise from the granting of the exception.

15. (C) Van Haastrecht said that Canada had not shared its suggested edits with other NSG members or India, and would only do so after having discussed them with U.S. officials in Washington.

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